



U.S. Department of Justice

United States Attorney
Southern District of New York

The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007

November 17, 2021

VIA ECF AND EMAIL

Honorable Lorna B. Schofield
United States District Judge
Southern District of New York
40 Foley Square
New York, New York 10007

Re: *United States v. Sohrab Sharma et al.*, 18 Cr. 340 (LGS)

Dear Judge Schofield:

In the interest of avoiding unnecessary motion practice and permitting the remissions process to go forward as expeditiously as possible, the Government submits this letter by way of brief response to the Claimants' November 15, 2021 letter (Dkt. 543) and to request the relief set forth below.

On November 5, 2021, the Government requested that the Court direct the Claimants to indicate if they (a) still intend to pursue the individual relief set forth in the March 30, 2021 petition (the "Petition"), or (b) intend to withdraw their individual claims and attempt to assert forfeiture claims in this case on behalf of a class that was certified in a Florida proceeding (the "Class"). In response to the Government's request, on November 8, 2021, the Court ordered the Claimants to file a letter stating how they intend to proceed in this action.

In purported compliance with the Court's November 8, 2021 Order, the Claimants now state that they "intend to proceed with [their current] Petition seeking disgorgement of the proceeds from the sale of 100,000 Ether seized from Centra Tech that the Government keeps withholding from the Claimants and Class." To be clear, however, there is no pending Petition seeking the proceeds from the sale of the 100,000 Ether units or any portion thereof for the benefit of the Class. Rather, the only Petition pending before this Court seeks \$6.2 million – a grossly disproportionate share of the total \$33.4 million in Ether sale proceeds – for the benefit of the Claimants personally. Accordingly, by obscuring the relief sought in the Petition, the Claimants' November 15, 2021 letter is fundamentally non-responsive to the Court's November 8, 2021 Order.

The Claimants appear to recognize that their fiduciary duties preclude their pursuit of the individual relief requested in their Petition, but they have not yet obtained the class default judgment in the Florida proceeding that they incorrectly believe will entitle them to assert forfeiture claims in this case on behalf of third parties.¹ Accordingly, the Claimants seek to buy


¹ In the Government's view, the notion that a class default judgment in Florida would entitle the Claimants to assert forfeiture claims in this case on behalf of third parties, including unidentified persons in the Class, is meritless.

For the foregoing reasons, the Government respectfully requests that the Court order the Claimants to specifically address whether they are continuing to seek \$6.2 million of the Ether sale proceeds for themselves personally. Since the Government's submission deadline on the existing motions schedule is November 29, 2021, the Government respectfully requests that the Court require the Claimants to answer this specific question as promptly as possible. If the Claimants are no longer seeking personal recovery of \$6.2 million of Ether sale proceeds, as requested in their Petition, then it would appear to the Government that the most expeditious course forward would be for the Claimants to promptly withdraw their Petition and make any other applications they deem appropriate.

by: /s/
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cc: Counsel of Record

SO ORDERED.


LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE